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Order 97-5-9

Served; May 19, 1997



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 13th day of May, 1997

Essential Air Service at

KIRKSVILLE, MISSOURI

under 49 U.S.C. 41731 *et seq.*

Docket OST-97-2515 - 1
(44895)

ORDER TENTATIVELY SELECTING CARRIER AND SETTING FINAL RATES

Summary

By this order we are tentatively selecting Redwing Airways, Inc. (Redwing), to provide subsidized essential air service at Kirksville, Missouri, for the two-year period beginning August 1, 1997.

Background

By Order 95-7-2, issued July 7, 1995, Redwing was selected to continue providing essential air service at Kirksville for an additional two-year period. Subsidy was set at \$348,179 per year for three round trips a day, six days a week, to Kansas City, with 8-seat Beech Queenair aircraft. Redwing's rate term at Kirksville expires July 31, 1997.

Because of Congressionally mandated reductions in funding for the Essential Air Service Program,¹ the Department by Order 95-11-28 implemented program-wide reductions in subsidy payments and allowed for reduced service levels at all non-Alaska points as of November 27, 1995. Subsidized air service was reduced below the levels established by statute as minimums for essential air service. At Kirksville, the requirement for weekend service was dropped, weekly round trips were reduced from eighteen to ten, and Redwing's subsidy was reduced from \$348,179 a year to \$224,382.

¹ Congressional funding for the Essential Air Service Program was reduced from \$33.4 million for fiscal year 1995, to \$22.6 million for fiscal year 1996, a reduction of approximately one-third. To achieve the subsidy reductions, the Department stated that it would no longer subsidize any service to a second hub and that it could no longer subsidize more than ten round trips a week, *i.e.*, the equivalent of two round trips, five days per week. Under those guidelines, the Department now subsidizes a maximum of ten round trips a week at all non-Alaska essential air service communities.

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Late in 1996, Congress passed the Rural Air Service Survival Act as part of the Federal Aviation Administration's broader 1996 reauthorization. That Act requires the FAA to charge user fees for flights by foreign airlines that fly over but do not land in the United States and, effective October 1, 1997, to designate the first \$50 million of those user fees each year for carrying out the Essential Air Service Program. In anticipation of the additional funding, the Department has begun renegotiating with carriers for increased service and subsidy levels which would become effective October 1, 1997. We expect to be able to restore service levels to at least the equivalent of those that were in effect prior to the program-wide reductions in late 1995.



We contacted Redwing to determine if it desires to continue providing essential air service at Kirksville and whether it would continue to require subsidy. Because Redwing's subsidy rate expires in July, we requested that the carrier submit proposals for its current service level of two round trips per day, five days per week, for the remainder of the fiscal year, August 1-September 30, 1997, and also proposals for three round trips and four round trips a day.

Redwing's proposals

Our usual practice is to negotiate a new subsidy rate with the carrier, issue an order tentatively reselecting it for a new rate term at the agreed rate, and direct other parties to show cause why we should not finalize our tentative selection. Other carriers wishing to submit competing proposals are invited to do so in response to the show-cause order. If any competing proposals are filed, we process them in a competitive case.

Redwing has submitted three proposals for continued service at Kirksville:

- Option A: three nonstop round trips each weekday and each weekend period, to Kansas City, with 8-seat Beech Queenair aircraft. Annual subsidy for this service would be \$362,428.
- Option B: four nonstop round trips each weekday and each weekend period, to Kansas City, with 8-seat Beech Queenair aircraft. Annual subsidy for this service would be \$450,736.
- Option C: ten nonstop round trips each week to Kansas City, with 8-seat Beech Queenair aircraft. Annual subsidy for this service would be \$275,969.

Community Comments

We contacted the City Manager of Kirksville by telephone and advised him of the proposals set forth by Redwing. He stated that the community favors the carrier's four-round-trip proposal.

He also asserted that there is sufficient demand to support this level of service, provided that Redwing promote its service more aggressively, an especially important issue since Redwing is not a code-share partner with any major carrier and has no interline ticket or baggage agreements with other carriers.

Tentative Reselection

After reviewing Redwing's proposals, we have tentatively decided to reselect the carrier to serve Kirksville for a new two-year period from August 1, 1997, through July 31, 1999. Under the Essential Air Service Program, communities are guaranteed at least two round trips a day to their designated hub with 15-seat or larger aircraft. However, Kirksville has previously agreed to service patterns with smaller aircraft in exchange for extra frequency, and has again expressed its willingness to do so in this case. This appears to be a practical course for the community. Clearly the number of daily frequencies has had a marked impact on Kirksville's traffic. The most recent available data (see Appendix A) show that during the third quarter of 1996, Kirksville generated barely more than half the traffic volume it had generated in the same quarter of 1995, a direct consequence of the reduced service levels during all of 1996 compared to 1995. Thus, we agree with the community's position that restoration of frequencies is critical to its traffic-generating capability. We also recognize Kirksville's relative isolation, 185 highway miles from its nearest hub, Kansas City. Based on these considerations, we will tentatively select Redwings's Option B effective October 1, 1997, authorizing four round trips a day, slightly reduced on weekends. (As we previously noted, additional funding to support increased service levels program-wide will not be available until, at the earliest, October 1, 1997. We will therefore select Redwing to continue to provide service at the two-round-trip level (Option C) for the period August 1, 1997, through September 30, 1997.)² For future periods, we will monitor Kirksville's traffic response to determine whether service with less total capacity--e.g., three round trips with 8-seat aircraft--would be adequate and more cost-effective for the community's essential air service needs.³

Responses To Tentative Decision

In accordance with normal procedures for essential air service carrier selections, we will allow interested parties 20 days to object to our decision and/or to file competing proposals. If no timely objections or competing proposals are filed, this order will automatically become final. We expect persons objecting to our tentative decision to support their objections with relevant and material facts. We will not entertain general, vague, or unsupported objections.

² See Appendix B for details of the subsidy calculations for Redwing's Options B and C. Redwing's compensation at the four-round-trip level is contingent upon additional funding which currently is not guaranteed. If sufficient funding does not become available for any reason, the carrier has agreed to provide service at Kirksville at the two-round-trip level for the entire two-year period. These rates appear reasonable for the service to be provided.

³ We expect Redwing, community officials, and major businesses to work together to promote the service improvements. We have earmarked a specific dollar amount in the carrier's subsidy agreement for local advertising and fully expect the carrier to use the amount as proposed.

Competing proposals, if filed, should provide for service consisting of three or four nonstop round trips to either Kansas City, St. Louis, Chicago, or any other reasonable alternative.

Procedures For Filing Proposals

For interested air carriers that are not familiar with our procedures and recommended form for supplying the necessary information, we have prepared two explanatory documents that we will make available upon request. The first describes the process for handling carrier replacement cases under 49 U.S.C. 41734(f) (formerly section 419 of the Federal Aviation Act) and discusses in detail the process of seeking proposals, conducting financial and operational audits of the applicant carriers and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, and a copy of section 14 CFR 204.4 of the Department's regulations which deals with the information required of all applicants for authority to provide basic essential air service, and provides schedules giving our recommended form for submitting data required for determining the financial and operational ability of applicants to provide dependable air service.⁴

Community and State Comments

If we receive competing proposals, the community and the State are welcome to submit comments on the proposals at any time.⁵ Early in the proceeding, comments on the perceived strengths and weaknesses of the proposals would be particularly helpful to the Department, although the civic parties may also express a preference for a particular carrier or proposal option at that time, if they choose. In any event, after we conclude rate conferences with all applicants, we will provide a summary of the conference results to the civic parties and ask them to file their final comments.⁶

⁴ Copies of these documents can be obtained from: EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, DC 20590. Telephone requests for these documents are accepted at (202) 366-1053.

⁵ Civic parties should file an original and five copies of their comments in Docket 44895. This filing should be addressed to: Documentary Services Division, Docket Section, SVC 121.30, Office of the Secretary, U.S. Department of Transportation, Room PL 401, 400 Seventh Street, S.W., Washington D.C. 20590.

⁶ In cases where a carrier proposes to provide essential air service without subsidy and we determine that service can be reliably provided without such compensation, we do not normally hold rate conferences. Instead, we rely on the carrier's subsidy-free service.

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.⁷ Consequently, all carriers receiving Federal subsidy to support essential air service must certify that they are in compliance with Department regulations regarding drug-free workplaces and nondiscrimination, and those carriers whose subsidies exceed \$100,000 over the life of the rate term must also certify that they are in compliance with regulations governing lobbying activities. All carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals. Interested carriers requiring more detailed information regarding these requirements as well as copies of the certifications should contact the Office of Aviation Analysis at (202) 366-1053. The Department is prohibited from paying subsidy to carriers that do not submit these documents.

Carrier Fitness

49 U.S.C. 41738 requires that we find a carrier fit, willing and able to provide service before we may compensate it for essential air service. We last found Redwing fit to provide scheduled passenger service as a commuter air carrier by Order 91-1-3. The Department has routinely monitored the carrier's continuing fitness, and no information has come to our attention that would lead us to question its ability to operate in a reliable manner. The Federal Aviation Administration has advised us that the carrier is conducting operations in accordance with 14 CFR Part 135, and knows of no reason why we should not find that Redwing remains fit.

This order is issued under authority delegated in 49 CFR 1.56(i).

ACCORDINGLY,

1. We tentatively reselect Redwing Airways, Inc., to provide essential air service at Kirksville, Missouri, for the two-year period beginning August 1, 1997, through July 31, 1999, as follows: for the period August 1, 1997, through September 30, 1997, Redwing will provide ten nonstop round trips per week between Kirksville and Kansas City, with 8-seat Beech Queenair aircraft; for the period October 1, 1997, through July 31, 1999, Redwing will provide four nonstop round trips each weekday and over each weekend period, between Kirksville and Kansas City, with 8-seat Beech Queenair aircraft;

⁷ The regulations applicable to each of these areas are (1) 49 CFR Part 20, New Restrictions on Lobbying, Implementing title 31, United States Code, section 1352, entitled "Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions"; (2) 49 CFR Part 29, Subpart F, Drug-Free Workplace Requirements (Grants) implementing the Drug-Free Workplace Act of 1988; (3) 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs for the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964; 49 CFR Part 27, Nondiscrimination on the basis for Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance; and 14 CFR Part 382, Nondiscrimination on the Basis of Handicap in Air Travel.

2. We tentatively set the final rate of compensation for Redwing Airways, Inc., for the provision of essential air service at Kirksville, Missouri, for the period August 1, 1997, through September 30, 1997, at \$275,969 per year, as described in Appendix C, payable as follows: for calendar months during which essential air service is provided, the amount of compensation shall be subject to the ceiling per week of \$5,448.60, and shall be determined by multiplying the subsidy-eligible departures operated during the month, assuming an 8-seat Beech Queenair aircraft, by \$272.43 per departure;

3. We tentatively set the final rate of compensation for Redwing Airways, Inc., for the provision of essential air service at Kirksville, Missouri, for the period October 1, 1997, through July 31, 1999, at \$450,736 per year, as described in Appendix C, payable as follows: for calendar months during which essential air service is provided, the amount of compensation shall be subject to the ceiling per week of \$8,906.88, and shall be determined by multiplying the subsidy-eligible departures operated during the month, assuming an 8-seat Beech Queenair aircraft, by \$185.56 per departure;

4. If sufficient funding is not available on October 1, 1997, to compensate Redwing Airways in accordance with ordering paragraph 3 above, Redwing will continue to provide ten nonstop round trips per week between Kirksville and Kansas City with 8-seat Beech Queenair aircraft, at the rate set forth in ordering paragraph 2 above, for the remainder of the selection period, through July 31, 1999, or until such time as the increased funding does become available;

5. We direct Redwing Airways, Inc., to retain all books, records, and other source and summary documentation to support claims for payment, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed. Copies of flight logs for aircraft sold or disposed of must be retained. The carrier may forfeit its compensation for any claim that is not supported under the terms of this order;

6. If the Government completely terminates all payments at a specific location provided for under this order because of the insufficiency of appropriated funds, then, at the end of the period for which the Government does make payments, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Only total cessation of payments due to insufficient appropriated funds shall trigger this provision; adjustments in the level of subsidy payments do not constitute a total cessation of payment. Essential air service subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department of Transportation regulations, as they may be amended from time to time;

7. We find that Redwing Airways, Inc., continues to be fit, willing and able to operate as a commuter air carrier and capable of providing essential air service at Kirksville, Missouri;

8. We direct Redwing Airways, Inc., and any other interested persons having objections to the selection of Redwing Airways to provide essential air service as described in ordering paragraph 1 above, at the rate set forth in ordering paragraphs 2 and 3 above, to file such objections or competing service proposals no later than 20 days from the date of service of this order;⁸

9. If we receive objections or competing proposals within the 20-day period, Redwing Airways will be compensated at subsidy rates set forth in ordering paragraphs 2 and 3 above as final rates until all objections are resolved;

10. We will afford full consideration to the matters and issues raised in any timely and properly filed objections and service proposals before we take further action.⁹ If no objections or competing service proposals are filed, all further procedural steps will be deemed waived and this order shall become effective on the twenty-first day after its service date;

11. This docket shall remain open for 5 years from the date of service of this order unless otherwise ordered by the Department; and

12. We will serve a copy of this order on the Mayor and airport manager of Kirksville, Missouri, the Missouri Highway and Transportation Department, Aviation Division, Redwing Airways, and the parties listed in Appendix D.

By:

CHARLES A. HUNNICUTT
Assistant Secretary for Aviation
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at
<http://www.dot.gov/general/orders/aviation.html>
The electronic version may not contain some or all of the appendices.*

⁸ Objections should be filed with the Documentary Services Division, SVC 121.30, Room PL-401, Department of Transportation, 400 7th Street, S.W., Washington, DC 20590. Proposals to provide essential air service should be filed with the Chief, EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6417-I, Department of Transportation, at the same address. Questions regarding filings in response to this order may be directed to Dennis J. DeVany at (202) 366-1061.

⁹ Since we are providing for the filing of objections to this order, we will not entertain petitions for reconsideration.

HISTORICAL TRAFFIC AT KIRKSVILLE, MISSOURI

		<u>IRK-MCI</u>	<u>MCI-IRK</u>	<u>TOTAL</u>	<u>O&D Per Day ¹</u>
1991	1	110	65	175	
	2	461	408	869	
	3	527	510	1,037	
	4	<u>601</u>	<u>532</u>	<u>1,133</u>	
		1,699	1,515	3,214	10.3
1992	1	519	514	1,033	
	2	595	562	1,157	
	3	614	574	1,188	
	4	<u>691</u>	<u>597</u>	<u>1,288</u>	
		2,419	2,247	4,666	14.9
1993	1	544	528	1,072	
	2	599	588	1,187	
	3	630	627	1,257	
	4	<u>699</u>	<u>588</u>	<u>1,287</u>	
		2,472	2,331	4,803	15.3
1994	1	618	646	1,264	
	2	756	718	1,474	
	3	674	653	1,327	
	4	<u>763</u>	<u>630</u>	<u>1,393</u>	
		2,811	2,647	5,458	17.4
1995	1	563	555	1,118	
	2	614	593	1,207	
	3	519	488	1,007	
	4	<u>612</u>	<u>555</u>	<u>1,167</u>	
		2,308	2,191	4,499	14.4
1996	1	385	399	784	
	2	360	415	775	
	3	282	276	558	
	4	<u>313</u>	<u>257</u>	<u>570</u>	
		1,340	1,347	2,687	10.3
1997	1	246	266	512	7.8

Source: Redwing Airways Form 298C.

¹ Total O & D passengers per day based on 313 service days per year 1991-1995; and 261 service days per year 1996 and 1997.

Redwing Airways, Inc.
Proposal To Provide Essential Air Service at Kirksville, MO
Calculation of Compensation Requirement

Service	Two round trips per day, five days per week		
Aircraft type	Beech Queen Air		
Estimated annual block hours	910	<u>Mileages:</u>	
Estimated annual departures:		IRK-MCI	129
Kansas City	506		
Kirksville	<u>506</u>		
Total estimated annual departures		1,012	
Estimated annual available seat-miles		1,044,384	
Number of stations served (except hubs)		1	

Operating revenue:

	Estimated passenger	Average fare	Passenger revenue	Trip distance	Revenue passenger- miles
IRK-MCI	<u>2,700</u>	\$115.00	<u>\$310,500</u>	129	<u>348,300</u>
	2,700		\$310,500		348,300
Freight		0.01	<u>3,105</u>		
Total operating revenue			\$313,605		

Operating expense:

Direct operating expense:

Flying operations:				
Pilots	\$50 per R.	506		\$25,300
Copilots	\$35 per R.	506		\$17,710
Crew benefits	20 percent			\$8,602
Misc.				\$4,820
Hull insurance				\$24,204
Depreciation				\$50,000
Fuel & oil	\$92.30	910		\$83,993
Maintenance:				
Mechanics	\$31,200	1.50	\$46,800	
Benefits	20 percent		\$9,360	
Prop reserve	\$7.50	910	\$6,825	
Parts	\$16.52	910	\$15,033	
Engine reserves	\$45.00	910	\$40,950	
Avionics	\$5.00	910	\$4,550	
Misc.			\$6,400	
Total Maintenance				<u>\$129,918</u>
Total direct	\$378.62 per blk. hr.			<u>\$344,547</u>

Indirect operating expense:

Station expenses:				
Kansas City	\$61.23	506	\$30,982	
Kirksville			\$22,464	
Advertising & promotion			\$8,000	
G & A			\$95,006	
Commissions	0.10	\$310,500	\$31,050	(% of passenger revenue)
Booking Fee	3.50	2700	\$9,450	(% of passenger revenue)
Total indirect			\$196,952	0.57 of DOC's

Total operating expense **\$541,499**

Operating loss			\$227,894
Profit element	\$541,499	0.05	\$27,075
Interest			<u>\$21,000</u>

COMPENSATION REQUIREMENT	\$275,969
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Redwing Airways, Inc.
Proposal To Provide Essential Air Service at Kirksville, MO
Calculation of Compensation Requirement

Service	Four round trips per day, six days per week		
Aircraft type	Beech Queen Air		
Estimated annual block hours	2,186	<u>Mileages:</u>	
Estimated annual departures:		IRK-MCI	129
Kansas City	1,214		
Kirksville	<u>1,214</u>		
Total estimated annual departures		2,428	
Estimated annual available seat-miles	2,505,696		
Number of stations served (except hubs)	1		

Operating revenue:

	Estimated passenger	Average fare	Passenger revenue	Trip distance	Revenue passenger- miles
IRK-MCI	4,400	\$115.00	\$506,000	129	<u>567,600</u>
	4,400		\$506,000		567,600
Freight		0.01	<u>5,060</u>		
Total operating revenue			\$511,060		

Operating expense:

Direct operating expense:

Flying operations:

Pilots	\$50 per R.	1,214	\$60,700
Copilots	\$35 per R.	1,214	\$42,490
Crew benefits	20 percent		\$20,638
Misc.			\$6,025
Hull insurance			\$24,204
Depreciation			\$50,000
Fuel & oil	\$92.30	2,186	\$201,768

Maintenance:

Mechanics	\$31,200	1.50	\$46,800
Benefits	20 percent		\$9,360
Prop reserve	\$7.50	2,186	\$16,395
Parts	\$16.52	2,186	\$36,113
Engine reserves	\$45.00	2,186	\$98,370
Avionics	\$5.00	2,186	\$10,930
Misc.			\$6,400
Total Maintenance			<u>224,368</u>

Total direct	\$288.29 per blk. hr.	\$630,193
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Indirect operating expense:

Station expenses:

Kansas City	\$61.23	1,214	\$74,333
Kirksville			\$22,464
Advertising & promotion			\$8,000
G & A			\$95,006
Commissions	0.10	\$506,000	\$50,600 (% of passenger revenue)
Booking Fee	3.50	4400	\$15,400 (% of passenger revenue)
Total indirect			\$265,803 0.42 of DOC's

Total operating expense		\$895,996
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Operating loss		\$384,936
Profit element	\$895,996	0.05 \$44,800
Interest		<u>\$21,000</u>

COMPENSATION REQUIREMENT	\$460,736
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REDWING AIRWAYS, INC.
ESSENTIAL AIR SERVICE AT
KIRKSVILLE, MISSOURI

<u>EFFECTIVE PERIOD</u>	August 1, 1997, through July 31, 1999	
<u>SERVICE:</u>	<u>August 1, 1997, through September 30, 1997</u>	
	10 nonstop round trips each week between Kirksville and Kansas City	
	<u>October 1, 1997, through July 31, 1999 1/</u>	
	24 nonstop round trips each week between Kirksville and Kansas City	
<u>AIRCRAFT TYPE</u>	Beech Queenair (8 seats)	
<u>TIMING OF FLIGHTS</u>	Flights must be well-timed and well-spaced to ensure full compensation.	
<u>ANNUAL SUBSIDY RATE</u>	<u>8/1/97 - 9/30/97</u>	<u>10/1/97 - 7/31/97</u>
	\$275,969	\$450,736
<u>SUBSIDY RATE PER ARRIVAL/DEPARTURE</u>	<u>8/1/97 - 9/30/97</u>	<u>10/1/97 - 7/31/99</u>
	\$272.43 <u>2/</u>	\$185.56 <u>3/</u>
<u>COMPENSATION CEILING EACH WEEK</u>	<u>3/1/97 - 9/30/97</u>	<u>10/1/97 - 2/28/99</u>
	\$5,448.60 <u>4/</u>	\$8,906.88 <u>5/</u>

FOOTNOTES APPEAR ON THE FOLLOWING PAGE

NOTE

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

FOOTNOTES

1/ Assuming sufficient increased funding; if not, the rate that begins on August 1, 1997, and the accompanying service pattern, will continue until July 31, 1999, or until increased funding becomes available, whichever comes first.

2/ Annual compensation of \$275,969 divided by the estimated annual completed departures and arrivals at a 97 percent completion factor: $4 \times 261 \times .97 = 1,013$.

3/ Annual compensation of \$450,736 divided by the estimated annual completed departures and arrivals at a 97 percent completion factor: $8 \times 313 \times .97 = 2,429$.

4/ Subsidy rate per arrival/departure of \$272.43 multiplied by 20 subsidy-eligible arrivals and departures each week.

5/ Subsidy rate per arrival/departure of \$185.56 multiplied by 48 subsidy-eligible arrivals and departures each week.

SERVICE LIST FOR THE STATE OF MISSOURI

Air Midwest, Inc.
Amerijet International, Inc.
Chicago Air Taxi, Inc.
Chicago Express Airlines, Inc.
Crauch Aviation
Delta Connection
Direct Air, Inc.
Exec Express II, Inc.
Flagship Airlines Inc.
Gorda Aero Service, Inc.
GP Express Airlines, Inc.
Great Lakes Aviation, Ltd.
Mesaba Aviation, Inc.
Metroflight, Inc.
Midway Airlines, Inc.
Midwest Express Airlines, Inc.
Multi Aero, Inc.
Northwest AirlinK
Ohio Valley Aviation, Inc.
Planemaster Services Inc.
Redwing Airways, Inc.
Simmons Airlines, Inc.
Trans States Airlines, Inc.

John Albright
Chester Anderson
Louis Andrews
Ken Bannon
Richard Thomas Clarke
E.B. Freeman
A. Edward Jenner
John McFarlane
Bill Oakes
Kevin Thomas
Gary L. White
Robert Wigmore